



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
KENTON COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1998

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
KENTON COUNTY OFFICIALS	3
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS.....	7
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES	12
NOTES TO FINANCIAL STATEMENTS	16
COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE.....	27
SCHEDULE OF OPERATING REVENUE	30
COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES	47
SCHEDULE OF PUBLIC PROPERTIES CORPORATION FUND EXPENDITURES	69
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	73
COMMENTS AND RECOMMENDATIONS.....	77
APPENDIX A:	
CERTIFICATION OF COMPLIANCE – LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS	
APPENDIX B:	
CPA AUDIT REPORT ON KENTON COUNTY GOLF COURSE	



Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Richard L. Murgatroyd, County Judge/Executive

Honorable Rodney "Biz" Cain, Former County Judge/Executive

Members of the Kenton County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Kenton County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Kenton County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Kenton County Golf Course Fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Kenton County Golf Course Fund, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Kenton County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Richard L. Murgatroyd, County Judge/Executive

Honorable Rodney "Biz" Cain, Former County Judge/Executive

Members of the Kenton County Fiscal Court

In our opinion, based upon our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Kenton County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of June 30, 1998, in conformity with the cash basis of accounting described above.

Our audit was performed for the purpose of forming an opinion on the financial statements of Kenton County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present a schedule of Comments and Recommendations, included herein, which discusses the following areas of noncompliance:

- The County Should A Have Written Agreement To Protect Deposits
- The County Should Maintain A Detailed Property And Equipment Record For The Jail

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 1999, on our consideration of Kenton County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
May 20, 1999

KENTON COUNTY OFFICIALS

Fiscal Year Ended June 30, 1998

Rodney "Biz" Cain	County Judge/Executive
Garry Edmondson	County Attorney
William Aylor	County Clerk
Mary Ann Woltenberg	Circuit Court Clerk
William Steenken	Sheriff
Donald Younger	Jailer
Mark Vogt	Property Valuation Administrator
Ivan Frye	County Treasurer
David Suetholz	Coroner
Nyoka Johnston	Commissioner
Bernard Moorman	Commissioner
Steve Arlinghaus	Commissioner

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

KENTON COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets and Other Resources

Assets

General Fund:

Cash	\$ 1,565,972
Notes Receivable (Note 4A)	44,500

Road and Bridge Fund:

Cash	1,239,670
------	-----------

Jail Fund - Cash

448,748

Jail Commissary Fund - Cash

87,815

Local Government Economic Assistance Fund:

Cash	7,512
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Voted General Obligation Transit Bond Fund:

In Hands of Paying Agent - Cash	134,019
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Public Properties Corporation Fund-Nursing and Health

Care Project:

Bond Account - Cash	195,978
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Debt Service Reserve Account-

Cash	22,057
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Investments

916,420

Public Properties Corporation Fund-Park and Recreational

Facility Project:

Bond Account - Cash	12,343
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Cost of Issuance Account - Cash

1

Public Properties Corporation Fund-Parking Facilities

Project:

Bond Account - Cash	81,346
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Project Account - Cash

3,292,506

Public Properties Corporation Fund-Courthouse Facilities

Project:

Bond Account - Cash	940,972
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Project Account - Cash

4,816,744

Project Account - Investments

13,515,092

Community Development Block Grant Fund:

Cash	462,885
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Notes Receivable (Note 4B)

416,036

Occupational License Tax Fund:

Cash	10,097,098
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Investments

700,000

Notes Receivable (Note 4C)

170,000

Special Police Fund - Cash

114,766

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
June 30, 1998
(Continued)

Assets and Other Resources (Continued)

Assets (Continued)

Self Insurance Fund:

Cash	\$ 461,051
Investments	928,233
Retirement Account - Cash	2,021

Other Resources

General Fund:

Amounts to be Provided in Future Years for Capital Lease Obligations-Principal Payments	690,496
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Jail Fund:

Amounts to be Provided in Future Years for Jail Capital Lease Obligations - Bond Principal Payments	3,504,156
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Public Properties Corporation Fund-Nursing and Health
Care Project:

Amounts to be Provided in Future Years for Bond Principal Payments	4,109,022
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Public Properties Corporation Fund-Park and Recreational
Facility Project:

Amounts to be Provided in Future Years for Bond Principal Payments	2,432,657
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Public Properties Corporation Fund-Parking Facilities
Project:

Amounts to be Provided in Future Years for Bond Principal Payments	16,788,654
---	------------

Public Properties Corporation Fund-Courthouse Facilities
Project:

Amounts to be Provided in Future Years for Bond Principal Payments	18,979,028
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Total Assets and Other Resources

\$ 87,177,798

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1998
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund:

Deferred Revenue (Note 4A)	\$ 44,500
Capital Lease Obligation- Principal Payments (Note 7)	690,496

Jail Fund:

Capital Lease Obligation - Bond Principal Payments (Note 6)	3,504,156
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Voted General Obligation Transit Bond Fund:

Bonds Matured and Unpresented (Note 5A)	130,000
Interest Matured and Unpresented (Note 5A)	4,019

Public Properties Corporation Fund-Nursing and Health
Care Project:

Capital Lease Obligation-Bond Principal Payments (Note 5B)	4,305,000
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Public Properties Corporation Fund-Park and
Recreational Facility Project:

Capital Lease Obligation-Bond Principal Payments (Note 5C)	2,445,000
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Public Properties Corporation Fund-Parking Facilities
Project:

Capital Lease Obligation-Bond Principal Payments (Note 5D)	16,870,000
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Public Properties Corporation Fund-Courthouse
Facilities Project:

Capital Lease Obligation-Bond Principal Payments (Note 5E)	19,920,000
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Community Development Block Grant Fund:

Deferred Revenue (Note 4B)	416,036
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Occupational License Tax Fund:

Deferred Revenue (Note 4C)	170,000
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Retirement Account	2,021
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The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1998
 (Continued)

Liabilities and Fund Balances (Continued)

Fund Balances

Reserved:

Jail Commissary Fund	\$ 87,815
Public Properties Corporation Fund-Nursing and Health Care Project:	
Debt Service Reserve Account	938,477
Public Properties Corporation Fund-Park and Recreational Facility Project:	
Cost of Issuance Account	1
Public Properties Corporation Fund-Parking Facilities Project:	
Project Account	3,292,506
Public Properties Corporation Fund-Courthouse Facilities Project:	
Project Account	18,331,836
Community Development Block Grant Fund	462,885
Occupational License Tax Fund	10,797,098
Special Police Fund	114,766
Self Insurance Fund	1,389,284

Unreserved:

General Fund	1,565,972
Road and Bridge Fund	1,239,670
Jail Fund	448,748
Local Government Economic Assistance Fund	7,512

Total Liabilities and Fund Balances	<u>\$ 87,177,798</u>
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

KENTON COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 26,694,411	\$ 12,400,816	\$ 873,014	\$ 2,393,339
Transfers In	8,221,592	588,924	3,738,350	1,411,439
Kentucky Advance Revenue Program	5,000,000	5,000,000		
Good Faith Deposit	398,400			
Bond Issue-Proceeds	30,084,199	11,209,791		
Contributions	2,142,311			
Interest	43,713			
Payroll Taxes Collected	18,544,292			
Jail Commissary Fund Receipts	375,401			
Total Cash Receipts	<u>\$ 91,504,319</u>	<u>\$ 29,199,531</u>	<u>\$ 4,611,364</u>	<u>\$ 3,804,778</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 36,061,389	\$ 21,843,566	\$ 3,927,795	\$ 3,839,835
Schedule of Public Properties				
Corporation Fund Expenditures	11,209,791			
Transfers Out	8,221,592	5,370,124		
Claims Paid	1,328,714			
Risk Management - Insurance	123,081			
Administrative Fees	68,063			
Pharmaceutical Services	153,816			
Bonds:				
Principal Paid	1,458,320			113,320
Interest Paid	1,226,272			
Realized Loss	145,530			
Kentucky Advance Revenue Program				
Repaid	5,000,000	5,000,000		
Payroll Taxes Distributed	18,544,292			
Jail Commissary Fund Expenditures	375,295			
Total Cash Disbursements	<u>\$ 83,916,155</u>	<u>\$ 32,213,690</u>	<u>\$ 3,927,795</u>	<u>\$ 3,953,155</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 7,588,164	\$ (3,014,159)	\$ 683,569	\$ (148,377)
Cash Balance - July 1, 1997*	<u>32,453,064</u>	<u>4,580,131</u>	<u>556,101</u>	<u>597,125</u>
Cash Balance - June 30, 1998*	<u><u>\$ 40,041,228</u></u>	<u><u>\$ 1,565,972</u></u>	<u><u>\$ 1,239,670</u></u>	<u><u>\$ 448,748</u></u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1998
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Voted General Obligation Transit Bond Fund	Public Properties Corporation Fund-Nursing and Health Care Project	Public Properties Corporation Fund-Park and Recreational Facilities Project	Public Properties Corporation Fund-Parking Facilities Project
\$	\$ 20,135	\$	\$ 68,641 828,256	\$ 638 220,335	\$ 817,276 1,434,288
375,401					
\$ 375,401	\$ 20,135	\$ 0	\$ 896,897	\$ 220,973	\$ 2,251,564
\$	\$ 20,500	\$	\$	\$	\$
					11,209,791
			725,000 191,649	90,000 130,335	530,000 904,288 145,530
375,295					
\$ 375,295	\$ 20,500	\$ 0	\$ 916,649	\$ 220,335	\$ 12,789,609
\$ 106 87,709	\$ (365) 7,877	\$ 0 134,019	\$ (19,752) 1,154,207	\$ 638 11,706	\$ (10,538,045) 13,911,897
\$ 87,815	\$ 7,512	\$ 134,019	\$ 1,134,455	\$ 12,344	\$ 3,373,852

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Public Properties Corporation Fund-Court- house Facilities Project	Community Development Block Grant Fund	Occupational License Tax Fund	Special Police Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$	\$ 65,368	\$ 10,026,187	\$ 28,997
Transfers In				
Kentucky Advance Revenue Program				
Good Faith Deposit	398,400			
Bond Issue-Proceeds	18,874,408			
Contributions				
Interest				
Payroll Taxes Collected				
Jail Commissary Fund Receipts				
Total Cash Receipts	<u>\$ 19,272,808</u>	<u>\$ 65,368</u>	<u>\$ 10,026,187</u>	<u>\$ 28,997</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$	\$ 25,389	\$ 6,404,304	\$
Schedule of Public Properties Corporation Fund Expenditures				
Transfers Out			2,762,548	88,920
Claims Paid				
Risk Management - Insurance				
Administrative Fees				
Pharmaceutical Services				
Bonds:				
Principal Paid				
Interest Paid				
Realized Loss				
Kentucky Advance Revenue Program Repaid				
Payroll Taxes Distributed				
Jail Commissary Fund Expenditures				
Total Cash Disbursements	<u>\$ 0</u>	<u>\$ 25,389</u>	<u>\$ 9,166,852</u>	<u>\$ 88,920</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 19,272,808	\$ 39,979	\$ 859,335	\$ (59,923)
Cash Balance - July 1, 1997*	<u>0</u>	<u>422,906</u>	<u>9,937,763</u>	<u>174,689</u>
Cash Balance - June 30, 1998*	<u>\$ 19,272,808</u>	<u>\$ 462,885</u>	<u>\$ 10,797,098</u>	<u>\$ 114,766</u>

* Cash Balance Includes Investments

KENTON COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1998
(Continued)

Kenton County/Cities Tax Collection Fund	Self-Insurance Fund
\$	\$
	2,142,311
	43,713
18,544,292	
<u>\$ 18,544,292</u>	<u>\$ 2,186,024</u>
\$	\$
	1,328,714
	123,081
	68,063
	153,816
18,544,292	
<u>\$ 18,544,292</u>	<u>\$ 1,673,674</u>
\$ 0	\$ 512,350
<u>0</u>	<u>876,934</u>
<u>\$ 0</u>	<u>\$ 1,389,284</u>

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Kenton County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund and the Public Properties Corporation Funds as part of the reporting entity. Also included is the Kenton County Golf Course Fund, which was audited by other auditors and is included in Appendix B.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Kenton County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.21 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. The depository institution has made such a pledge, and the depository institution's board of directors or loan committee approved the pledge. However, the depository institution did not have a written agreement with the county.

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 4. Receivables

- A. The following receivable was due the General Fund at June 30, 1998, for loans made in prior years:

<u>Due From</u>	<u>Explanation</u>	<u>Balance Due June 30, 1998</u>
Northern Kentucky Port Authority	General Operations	<u>\$ 44,500</u>

- B. The following receivables were due the Community Development Block Grant Fund for loans made from grant funds:

<u>Due From</u>	<u>Interest/Length of Loan</u>	<u>Balance Due June 30, 1998</u>
Kenton County Fire Department (2/14/90)	5%/10 Years	\$ 10,595
Heidelberg Brewery (12/1/86)	3%/15 Years	339,015
LSI Industries (5/24/94)	3%/5 Years	25,274
Andrew Laser (5/8/95)	3%/5 Years	16,152
Piner-Fiskburg Ambulance Service (8/27/97)	5%/5 Years	<u>25,000</u>
Total		<u>\$ 416,036</u>

- C. The following receivable was due the Occupational License Tax Fund:

<u>Due From</u>	<u>Interest/Length of Loan</u>	<u>Balance Due June 30, 1998</u>
Senior Citizens of Northern Kentucky	2.85%/Indefinite	<u>\$ 170,000</u>

Note 5. Long-Term Debt

A. Voted General Obligation Transit Bonds

Kenton County issued Voted General Obligation Transit Bonds dated September 1, 1973. The total bond issue of \$1,950,000 was due to mature on September 1 of each year, with the final due date of September 1, 1993. Interest of 5.25% was payable on March 1 and September 1. As of year ending June 30, 1998, there were matured and unrepresented bonds and coupons of \$55,000 and \$1,575, respectively.

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 5. Long-Term Debt (Continued)

A. Voted General Obligation Transit Bonds (Continued)

Kenton County also issued Voted General Obligation Transit Bonds dated April 1, 1974. The total bond issue of \$1,150,000 was due to mature on April 1 of each year, with the final due date of April 1, 1994. Interest of 5.75% was payable on April 1 and October 1. As of year ending June 30, 1998, there were matured and unrepresented bonds and interest coupons of \$75,000 and \$2,444, respectively. Total matured and unrepresented bonds and interest coupons is \$134,019.

B. Public Properties Corporation Fund – Nursing and Health Care Facilities Bond Issue:

The Corporation issued first mortgage bonds dated December 1, 1967, to provide funds for the construction of the Covington-Kenton County Municipal Building. The total bond issue of \$3,465,000 was in denominations of \$5,000; all mature on December 1 of each year between 1969 and 2007, with interest of 5.50% to 6% payable on June 1 and December 1 of each year. The debt service requirements were to be paid 25% by the county and 75% by the city as rentals for the use of the property.

On July 3, 1985, Kenton County Fiscal Court contributed \$1,782,942 to the Covington-Kenton County Public Properties Escrow Fund of 1985 in order to effect the defeasance of the outstanding bond. This amount, in addition to the \$228,360 transferred from the debt service fund, has been determined to be sufficient to meet all bonds and interest payments as they become due. Peoples Liberty Bank and Trust Company is the escrow agent.

In order to effect the refunding of the 1989 Series first mortgage bonds, the Kenton County Fiscal Court also contributed \$1,999,992 to the Kenton County Public Properties Corporation 1989 Bond Defeasance Escrow Fund. A total of \$7,713,235 is available to pay the old bonds as they come due. This escrow fund has been determined to be sufficient to meet all bond and interest payments as they become due. Fifth Third Bank is the escrow agent.

The Kenton County Public Properties Corporation issued first mortgage refunding bonds dated June 2, 1993, to provide funds for the refunding of the 1989 Series first mortgage bonds for the construction of the Kenton County Nursing Home (Rosedale Manor). The total bond issue of \$7,575,000 was in denominations of \$5,000; all mature on October 1 of each year between 1993 and 2003, with interest of 4% to 4.125% payable on April 1 and October 1 of each year. The bonds outstanding at June 30, 1998, are \$4,305,000. The debt service requirements for future fiscal years are as follows:

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 5. Long-Term Debt (Continued)

B. Public Properties Corporation Fund – Nursing and Health Care Facilities Bond Issue:
(Continued)

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
1999	4.100%	\$ 755,000	\$ 161,309
2000	4.100%	780,000	129,841
2001	4.100%	810,000	97,246
2002	4.100%	835,000	63,524
2003	4.125%	860,000	28,669
2004	4.125%	265,000	5,466
Total		<u>\$ 4,305,000</u>	<u>\$ 486,055</u>

C. Public Properties Corporation Fund – Park and Recreational Facilities Project Bond Issue:

The Kenton County Public Properties Corporation issued first mortgage revenue bonds to provide funds for a park and recreational facilities project dated July 1, 1995. The total bond issue of \$2,700,000 was in denominations of \$5,000; all mature on April 1 of each year between 1996 and 2015, with interest of 3.5% to 5.65% payable on April 1 and October 1 of each year. The bonds outstanding on June 30, 1998, are \$2,445,000. Fifth Third Bank is the escrow agent. The debt service requirements for future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
1999	4.200%	\$ 90,000	\$ 126,645
2000	4.300%	95,000	122,865
2001	4.400%	100,000	118,780
2002	4.500%	105,000	114,380
2003	4.600%	110,000	109,655
2004-15	4.75-5.65%	1,945,000	769,993
Total		<u>\$ 2,445,000</u>	<u>\$ 1,362,318</u>

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 5. Long-Term Debt (Continued)

D. Public Properties Corporation Fund – Parking Facilities Project Bond Issue:

The Kenton County Public Properties Corporation issued first mortgage revenue bonds to provide funds for a parking facilities project dated December 1, 1996. The total bond issue of \$17,400,000 was in denominations of \$5,000 and integral multiples thereof; all mature on December 1 of each year between 1997 and 2016, with interest of 4.5% to 5.7% payable on June 1 and December 1 of each year. The bonds outstanding on June 30, 1998, are \$16,870,000. Fifth Third Bank is the paying agent and bond registrar. The debt service requirements for future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
1999	4.500%	\$ 555,000	\$ 879,875
2000	4.700%	575,000	853,875
2001	4.700%	605,000	826,145
2002	4.700%	630,000	797,122
2003	4.700%	660,000	766,808
2004-17	4.700-5.700%	13,845,000	6,518,766
Total		<u>\$ 16,870,000</u>	<u>\$ 10,642,591</u>

E. Public Properties Corporation Fund – Courthouse Facilities Project Bond Issue:

The Kenton County Public Properties Corporation issued first mortgage revenue bonds to provide funds for a courthouse facilities project dated June 1, 1998. The total bond issue of \$19,920,000 was in multiples of \$5,000 and integral multiples thereof; all mature on March 1 of each year between 2000 and 2029, with interest of 4.85% to 5.00% payable on March 1 and September 1 of each year. The bonds outstanding as of June 30, 1998, are \$19,920,000. Fifth Third Bank is the paying agent. The debt service requirements for future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
1999	4.85%	\$	\$ 740,972
2000	4.85%	305,000	987,963
2001	4.85%	320,000	973,317
2002	4.85%	335,000	957,650
2003	4.85%	350,000	941,403
2004-2029	4.85%-5.00%	18,610,000	14,996,487
Total		<u>\$ 19,920,000</u>	<u>\$ 19,597,792</u>

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 6. Long-Term Participation Agreement

The Kentucky Local Correctional Facilities Construction Authority, an independent corporate agency and instrumentality of the Commonwealth of Kentucky, issues revenue bonds for the purpose of construction and reconstruction of jail facilities. The Authority issued \$10,495,487 of revenue bonds at various interest rates (4.5% through 7.0%), of which the county has agreed to pay \$4,438,213 principal and a proportional share of interest on the issue. Revenue bonds outstanding at June 30, 1998, totaled \$3,504,156. Debt service requirements due in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
1999	\$ 120,506	\$ 218,377
2000	128,147	210,493
2001	136,272	202,109
2002	144,914	193,195
2003	163,874	183,715
2004-2015	<u>2,810,443</u>	<u>2,158,473</u>
Total	<u>\$ 3,504,156</u>	<u>\$ 3,166,362</u>

Note 7. Capital Lease Obligation

Northern Kentucky District Health Department:

On July 1, 1992, Kenton County Fiscal Court entered into a lease agreement with Star Bank, N.A., Kentucky as lessor for the purpose of financing the acquisition, construction, installation, and equipping of an office facility to be used as an environmental health and education center.

This building will be subleased by the county to the Northern Kentucky Independent District Board of Health for rentals in an amount equal to the rentals payable by the county to the lessor.

The total lease agreement was for \$1,000,000. The initial interest rate was 4.93% through June 30, 1997. Thereafter, the interest rate will be 65% of the New York Prime Rate. Monthly payments are \$7,872. The final maturity date is August 1, 2007. The balance outstanding on June 30, 1998, was \$690,496. Lease payment obligations for future fiscal years are as follows:

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 7. Capital Lease Obligation (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
1999	\$ 56,533	\$ 30,053
2000	64,652	29,806
2001	67,912	26,546
2002	71,337	23,121
2003	74,934	19,524
2004-2007	<u>355,128</u>	<u>38,450</u>
Total	<u>\$ 690,496</u>	<u>\$ 167,500</u>

Note 8. Self-Insurance Funds

Kenton County maintains a health insurance fund to provide health and dental insurance for their employees. They also maintain a self-insurance fund to provide liability and workmen's compensation for their employees.

Note 9. Subsequent Events

- A. Pursuant to damages paid in the prior year of \$850,000 to cover lawsuits brought by Wessels Construction and Development Company, Inc. and Carroll Properties, Inc., Kenton County recovered \$425,000 from Corporex and \$25,000 from former County Judge/Executive Clyde Middleton.
- B. In a juvenile lawsuit, Kenton County paid \$268,000 to cover attorney fees.

Note 10. Contingent Liability

Kenton County Jail is the defendant in a wrongful death suit. If damages are awarded against the Kenton County Jail, the county would be liable for \$100,000 of a deductible not covered by insurance.

KENTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

KENTON COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 38,971,165	\$ 12,400,816	\$ (26,570,349)
Road and Bridge Fund	4,525,000	873,014	(3,651,986)
Jail Fund	3,736,680	2,393,339	(1,343,341)
Local Government Economic Assistance Fund	20,500	20,135	(365)
Community Development Block Grant Fund	1,015,461	65,368	(950,093)
Occupational License Tax Fund	6,439,058	10,026,187	3,587,129
Total	<u>\$ 54,707,864</u>	<u>\$ 25,778,859</u>	<u>\$ (28,929,005)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 54,707,864
Add: Prior Year Surplus Budgeted	<u>15,493,500</u>
Total Operating Budget All Funds	<u>\$ 70,201,364</u>

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SCHEDULE OF OPERATING REVENUE

KENTON COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes and Excess Fees</u>				
Sheriff:				
Taxes	\$ 7,412,720	\$ 7,412,720	\$	\$
Excess Fees - 1997	494,507	494,507		
Advertising Delinquent Taxes	5,412	5,412		
County Clerk:				
Deed Transfer Tax	432,812	432,812		
Occupational Licenses	12,853	12,853		
Delinquent Taxes	47,683	47,681		
Excess Fees - 1997	571,903	571,903		
Tangible Personal Property Taxes:				
County Clerk	906,794	906,794		
Occupational Employment Tax	9,119,549			
In Lieu of Taxes:				
U.S. Treasurer	35,295	35,295		
Bromley Fire Department Fees	4,478	4,478		
Prior Year Taxes	198	198		
Rental Vehicle License Fee	368	368		
City Payroll Tax Collection	89,779	89,779		
Totals	<u>\$ 19,134,351</u>	<u>\$ 10,014,800</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>U.S. Treasurer</u>				
Federal Prisoner Housing	\$ 269,464	\$	\$	\$ 269,464
Police Services Reimbursements	10,504	10,504		
Social Security Allowance	13,200			13,200
Drug Forfeitures	19,504	380		
National Recreational Trails	11,111	11,111		
I-75 Police Enforcement Grant	9,391	9,391		
Totals	<u>\$ 333,174</u>	<u>\$ 31,386</u>	<u>\$ 0</u>	<u>\$ 282,664</u>

KENTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1998
(Continued)

Local Government Economic Assistance Fund	Public Properties Corporation Fund-Nursing and Health Care Project	Public Properties Corporation Fund-Park and Recreational Facility Project	Public Properties Corporation Fund-Parking Facilities Project	Community Development Block Grant Fund	Occupational License Tax Fund
\$	\$	\$	\$	\$	\$
					2
					9,119,549
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,119,551</u>
\$	\$	\$	\$	\$	\$
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KENTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Special Police Fund
<u>Revenue From Local Taxes and Excess Fees</u>	
Sheriff:	
Taxes	\$
Excess Fees - 1997	
Advertising Delinquent Taxes	
County Clerk:	
Deed Transfer Tax	
Occupational Licenses	
Delinquent Taxes	
Excess Fees - 1997	
Tangible Personal Property Taxes:	
County Clerk	
Occupational Employment Tax	
In Lieu of Taxes:	
U.S. Treasurer	
Bromley Fire Department Fees	
Prior Year Taxes	
Rental Vehicle License Fee	
City Payroll Tax Collection	
Totals	<u>\$ 0</u>
<u>U.S. Treasurer</u>	
Federal Prisoner Housing	\$
Police Services Reimbursements	
Social Security Allowance	
Drug Forfeitures	19,124
National Recreational Trails	
I-75 Police Enforcement Grant	
Totals	<u>\$ 19,124</u>

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KENTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1998
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 14,252	\$ 14,252	\$	\$
Disaster and Emergency Assistance				
Grant - FEMA Flood				
Reimbursement	31,742	31,742		
Disaster and Emergency Assistance				
Grant - Hazardous Material				
Cleanup	1,370	1,370		
Totals	\$ 47,364	\$ 47,364	\$ 0	\$ 0
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 472,147	\$	\$	\$ 472,147
Medical Allotments	59,774			59,774
Catastrophic Medical	8,006			8,006
DUI Service Fees	30,133			30,133
Housing State Prisoners	917,725			917,725
County Road Aid	331,792		331,792	
Municipal Road Aid	1,323		1,323	
Truck License Distribution	151,651		151,651	
Ad Valorem Tax	52,338	52,338		
Delinquent and Omitted Taxes	127,426	127,426		
Cellular Tax	39,190	39,190		
Courthouse Rental - AOC	209,957	209,957		
Probation and Parole Rent	85,504	85,504		
Human Resources Rent	13,133	13,133		
Juvenile Workers Rent	15,735	15,735		
Commonwealth Attorney Rent	22,178	22,178		
Warrant Service Fees	3,147	3,147		
Base Court Revenue	26,910	26,910		
Refunds:				
Legal Process Tax	1,142	1,142		
Drivers License	13,850		13,850	
Dog License	1,034	1,034		

KENTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1998
(Continued)

Local Government Economic Assistance Fund	Public Properties Corporation Fund-Nursing and Health Care Project	Public Properties Corporation Fund-Park and Recreational Facility Project	Public Properties Corporation Fund-Parking Facilities Project	Community Development Block Grant Fund	Occupational License Tax Fund
\$	\$	\$	\$	\$	\$
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$	\$	\$	\$	\$	\$

KENTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Special Police Fund
<u>Federal Receipts - State Treasurer</u>	
Disaster and Emergency Assistance	
Grants - Coordinator Salary	\$
Disaster and Emergency Assistance	
Grant - FEMA Flood	
Reimbursement	
Disaster and Emergency Assistance	
Grant - Hazardous Material	
Cleanup	
	<hr/>
Totals	\$ 0

Kentucky State Treasurer

Jail:

Allotments	\$
Medical Allotments	
Catastrophic Medical	
DUI Service Fees	
Housing State Prisoners	
County Road Aid	
Municipal Road Aid	
Truck License Distribution	
Ad Valorem Tax	
Delinquent and Omitted Taxes	
Cellular Tax	
Courthouse Rental - AOC	
Probation and Parole Rent	
Human Resources Rent	
Juvenile Workers Rent	
Commonwealth Attorney Rent	
Warrant Service Fees	
Base Court Revenue	
Refunds:	
Legal Process Tax	
Drivers License	
Dog License	

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KENTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1998
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer (Continued)</u>				
Coal Severance Taxes	\$ 19,183	\$	\$	\$
Grants:				
Police Incentive Pay	92,639	92,639		
Education Expense	13,600			13,600
Police Tap	7,825	7,825		
Medical Equipment	21,920	21,920		
Disaster and Emergency Assistance - Coordinator Salary	7,998	7,998		
Totals	<u>\$ 2,747,260</u>	<u>\$ 728,076</u>	<u>\$ 498,616</u>	<u>\$ 1,501,385</u>

Other Revenue

Interest Earned	\$ 2,004,622	\$ 447,186	\$ 45,507	\$ 27,020
Circuit Court Clerk:				
Court Cost	107,130			107,130
Work Release	97,617			97,617
Jail Operations	281			281
Jail Medical	395			395
Jail - Housing Other County Prisoners	36			36
Juvenile Fees	133,015			133,015
Community Development Block Grant Loan Repayments:				
Heidelberg Brewery	10,485			
Ryland Heights Fire Department	750			
Kenton County Fire Department	5,700			
Andrew Laser	7,906			
LSI	16,209			
Home Incarceration Fees	20,808			20,808
Bond Collection Fees	26,148			26,148
Licenses and Permits:				
Building Permits	41,172	41,172		
Cable Television Franchise	39,404	39,404		

KENTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Public Properties Corporation Fund-Nursing and Health Care Project	Public Properties Corporation Fund-Park and Recreational Facility Project	Public Properties Corporation Fund-Parking Facilities Project	Community Development Block Grant Fund	Occupational License Tax Fund
\$ 19,183	\$	\$	\$	\$	\$
\$ 19,183	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 952	\$ 68,641	\$ 638	\$ 817,276	\$ 24,318	\$ 563,211
				10,485	
				750	
				5,700	
				7,906	
				16,209	

KENTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Special Police Fund
<u>Kentucky State Treasurer (Continued)</u>	
Coal Severance Taxes	\$
Grants:	
Police Incentive Pay	
Education Expense	
Police Tap	
Medical Equipment	
Disaster and Emergency	
Assistance - Coordinator	
Salary	
Totals	\$ 0

Other Revenue

Interest Earned	\$ 9,873
Circuit Court Clerk:	
Court Cost	
Work Release	
Jail Operations	
Jail Medical	
Jail - Housing Other County Prisoner	
Juvenile Fees	
Community Development Block	
Grant Loan Repayments:	
Heidelberg Brewery	
Ryland Heights Fire	
Department	
Kenton County Fire	
Department	
Andrew Laser	
LSI	
Home Incarceration Fees	
Bond Collection Fees	
Licenses and Permits:	
Building Permits	
Cable Television Franchise	

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KENTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Other Revenue (Continued)</u>				
Charges for Services:				
Dispatch Services	\$ 196,187	\$ 196,187	\$	\$
Animal Shelter Fees	94,755	94,755		
Data Processing Services	115,060	115,060		
Warrant Service Fees	11,173	11,173		
Copy Fees/Accident Reports	781	781		
Park Shelter/Reservation Fees	7,000		7,000	
Vehicle Service/Repairs	202,375		202,375	
Reimbursements:				
Insurance	128,193	128,193		
Cable Television	132,427	132,427		
Drug Strike Force Wage	34,183	34,183		
Police Services	4,250	4,250		
Telephone Commission	163,751	2,934		160,817
Surplus Machinery/Equipment Sales	24,411	22,196	2,215	
Gas Sales	51,245	797	50,448	
Health Building Lease	94,458	94,458		
Courthouse Rentals-Miscellaneous	49,081	49,081		
Insurance Claims Proceeds	862	834	28	
Drug Asset Forfeitures	2,850	2,850		
DES/Hazardous Material Cleanup	39,918	39,918		
Road Signs	3,680		3,680	
City Road Maintenance Funds	7,763		7,763	
Data Sales/Services	14,242	14,242		
Salt and Sand	18,258		18,258	
DARE Program	2,671	2,671		
Concessions	11,414		11,414	
Reimbursement Non-Public School Transportation	305,966			
City Reimbursement for COLT Refunds	37,459			
Other Revenues	166,171	104,438	25,710	36,023
Totals	\$ 4,432,262	\$ 1,579,190	\$ 374,398	\$ 609,290
Total Operating Revenue	\$ 26,694,411	\$ 12,400,816	\$ 873,014	\$ 2,393,339

KENTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1998
(Continued)

Local Government Economic Assistance Fund	Public Properties Corporation Fund-Nursing and Health Care Project	Public Properties Corporation Fund-Park and Recreational Facility Project	Public Properties Corporation Fund-Parking Facilities Project	Community Development Block Grant Fund	Occupational License Tax Fund
\$	\$	\$	\$	\$	\$
					305,966
					37,459
\$ 952	\$ 68,641	\$ 638	\$ 817,276	\$ 65,368	\$ 906,636
\$ 20,135	\$ 68,641	\$ 638	\$ 817,276	\$ 65,368	\$ 10,026,187

KENTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Special Police Fund
<u>Other Revenue (Continued)</u>	
Charges for Services:	
Dispatch Services	\$
Animal Shelter Fees	
Data Processing Services	
Warrant Service Fees	
Copy Fees/Accident Reports	
Park Shelter/Reservation Fees	
Vehicle Service/Repairs	
Reimbursements:	
Insurance	
Cable Television	
Drug Strike Force Wage	
Police Services	
Telephone Commission	
Surplus Machinery/Equipment Sales	
Gas Sales	
Health Building Lease	
Courthouse Rentals-Miscellaneous	
Insurance Claims Proceeds	
Drug Asset Forfeitures	
DES/Hazardous Material Cleanup	
Road Signs	
City Road Maintenance Funds	
Data Sales/Services	
Salt and Sand	
DARE Program	
Concessions	
Reimbursement Non-Public School	
Transportation	
City Reimbursement for COLT	
Refunds	
Other Revenues	
Totals	\$ 9,873
Total Operating Revenue	\$ 28,997

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

KENTON COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	<u>Final</u> <u>Budget</u>	<u>Budgeted</u> <u>Expenditures</u>	<u>Under</u> <u>(Over)</u> <u>Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 48,661	\$ 48,661	\$
Deputy County Judge/Executive	62,178	62,177	1
County Administrator	50,160	49,879	281
Fiscal Court Clerk	33,669	33,668	1
Purchasing Manager	30,318	30,317	1
Secretary	21,963	21,962	1
Office Supplies	9,000	8,354	646
Telephone and Pager	11,800	11,790	10
Office of County Attorney:			
Salaries-			
County Attorney	35,904	35,902	2
Secretary	20,176	20,176	
Office of County Clerk:			
Tax Bill Preparation	45,500	45,412	88
Office of Sheriff:			
Advertising Tax Bills	22,000	20,922	1,078
Bond	2,000	1,611	389
Insurance Paid Repairs	5,000		5,000
Postage Expenses	14,000	13,601	399
Office of County Coroner:			
Salaries-			
County Coroner	29,928	29,926	2
Deputy Coroner	35,420	35,413	7
Autopsies and Attendant Service	4,000	2,177	1,823
Travel	4,000	3,295	705
Function Specialist, Equipment, and Service	2,500	1,179	1,321

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Fiscal Court:			
Commissioners-			
Salaries	\$ 87,914	\$ 83,344	\$ 4,570
Expense Allowance	11,800	11,630	170
Telephone and Pager	1,500	1,004	496
Office of Property Valuation Administrator:			
Printing/Copying/Forms	2,500	2,230	270
Telephone and Pager	10,000	8,389	1,611
Statutory Contribution	175,000	175,000	
Office of Board of Assessment Appeals:			
Board of Assessment Fees	2,000	500	1,500
Office of County Treasurer:			
Salaries-			
County Treasurer	64,567	64,566	1
Assistant Treasurer	46,186	46,185	1
Account Clerks	129,925	127,731	2,194
License Inspector	42,340	42,338	2
Overtime	1,000	218	782
Office Supplies	8,000	7,836	164
Printing/Copying/Forms	15,000	14,264	736
Telephone and Pager	7,200	6,287	913
Data Processing:			
Salaries-			
Director	30,554	15,886	14,668
Personnel	79,450	73,152	6,298
Software Development	50,000	18,042	31,958
Maintenance and Repair Services	30,000	24,797	5,203
Supplies	20,000	12,495	7,505
Telephone and Pager	9,000	8,514	486
Training	9,000	5,370	3,630
Travel	5,000	1,619	3,381
Equipment	100,000	66,917	33,083

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
County Law Library:			
Law Librarian Salary	\$ 1,200	\$ 1,200	\$
Elections:			
Per Diem-			
Election Commissioners	7,000	520	6,480
Election Officers	40,000	33,764	6,236
Election Tabulators	2,500	2,005	495
Meeting Fees	5,000	4,450	550
Advertising	5,500	2,885	2,615
Polling Place Rental	4,500	4,300	200
Office Supplies	5,500	2,758	2,742
Voting Machine Maintenance	50,000	27,486	22,514
Planning and Zoning:			
Board Member Fees	900	900	
Meeting Fees	1,000	725	275
Building and Zoning Administration	30,000	29,208	792
Economic Development:			
Tri-County Economic Development	25,000	25,000	
Rental Vehicle License Fee	3,000	357	2,643
Covington Courthouse:			
Salaries-			
Maintenance Personnel	144,350	143,995	355
Overtime	8,000	1,712	6,288
Pest Control	4,500	3,599	901
Janitorial Services	100,000	84,540	15,460
Window Cleaning	5,000	3,466	1,534
Elevator Maintenance	16,000	15,259	741
Security Services	1,500	684	816
Solid Waste Collection	4,500	4,368	132
Building Maintenance Supplies	35,000	31,071	3,929
Custodial Supplies	7,000	6,252	748
Tools	2,000	1,602	398

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Covington Courthouse: (Continued)			
Uniforms	\$ 2,500	\$ 1,851	\$ 649
Heating and Air Conditioning Repairs	20,600	15,497	5,103
Telephone and Pager	7,000	6,648	352
Training	5,000	2,980	2,020
Utilities	121,000	110,710	10,290
Water and Sewer	23,000	22,055	945
Motor Vehicles	18,000	16,475	1,525
Administrative Office of Courts-			
Building Repairs	10,000	5,447	4,553
Building Renovation and Construction	50,000	25,703	24,297
Independence Courthouse:			
Building Maintenance Personnel Salaries	21,772	21,628	144
Overtime	2,000	1,098	902
Building and Grounds	22,000	21,281	719
Solid Waste Collection	1,000	796	204
Custodial Supplies	1,000	755	245
Tools	1,000	498	502
Utilities	15,000	12,887	2,113
Water and Sewer	1,000	446	554
Building Renovation and Construction	65,000	61,500	3,500
County Police:			
Salaries-			
Director	54,100	53,708	392
County Police	1,135,000	1,063,833	71,167
Dispatcher	434,000	424,291	9,709
Secretary	44,600	44,385	215
Police/Dispatcher Overtime	128,000	127,089	911
County Education Allowance	10,500	10,340	160
Longevity Pay	11,300	10,104	1,196
Holiday Pay	86,000	84,437	1,563
Court Attendance Pay	18,000	14,811	3,189
Police Unused Sick Time	2,000		2,000
Data Processing Services	5,000	4,626	374
Dispatch Services	72,500	69,816	2,684

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Protection to Persons and Property</u> (Continued)			
County Police: (Continued)			
Police Testing and Evaluation	\$ 5,500	\$ 5,226	\$ 274
Uniform Cleaning	11,000	5,621	5,379
Building and Grounds	5,000	3,195	1,805
Vehicle Maintenance	3,000	2,552	448
Solid Waste Collection	400	384	16
Contract Police Services	6,000	6,000	
Ammunition	4,000	3,848	152
Gasoline	43,000	33,404	9,596
Law Enforcement	12,000	11,889	111
Office Supplies	12,000	11,966	34
Uniforms	31,000	28,428	2,572
Photowork and Supplies	5,000	4,862	138
Merit Board	1,500	1,048	452
Registration, Membership, Training	3,000	1,617	1,383
Insurance Paid Repairs	10,000	536	9,464
Telephone and Pager	22,000	19,247	2,753
Training	16,500	15,336	1,164
Travel With/After Prisoners	1,000	125	875
Utilities	14,500	14,168	332
Water and Sewer	600	252	348
Education Program (DARE)	2,500	2,207	293
Police Pistol Team	2,870	2,145	725
Data Processing Equipment	19,821	19,821	
Furniture and Fixtures	1,000	888	112
Law Enforcement Equipment	500	481	19
Motor Vehicles	239,500	232,772	6,728
Police Capital Projects/Equipment	156,500	65,777	90,723
Asset Forfeiture	100,000	91,888	8,112
Advance Life Support:			
Paramedic Unit Equipment	22,000	21,220	780

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Protection to Persons and Property</u> (Continued)			
Disaster and Emergency Services:			
Salaries-			
Director	\$ 41,200	\$ 41,180	\$ 20
Fire Association Operational Support	5,000	3,501	1,499
Supplies and Services	20,000	17,743	2,257
Hazardous Material Unit	6,180	6,180	
Hazardous Material Services	45,000	33,222	11,778
Fire Association Capital Projects	77,350	25,851	51,499
Water Rescue Services	4,000		4,000
Forestry Fire Protection:			
Kentucky State Treasurer	650	650	
Office of Public Defender:			
Indigent Services	17,800	17,754	46
<u>General Health and Sanitation</u>			
Dog Control:			
Salaries	157,000	140,992	16,008
Overtime	4,000	2,706	1,294
Veterinary Services	6,000	5,809	191
Pharmaceuticals	9,000	7,497	1,503
Solid Waste Collection	500	50	450
Spay and Neuter	25,000	21,291	3,709
Animal Food	5,000	2,844	2,156
Kennel Supplies and Equipment	28,200	23,604	4,596
Office Supplies	6,500	3,974	2,526
Items for Resale	1,500	1,062	438
Animal Fines Collected for Others	3,500	3,500	
Dog Tag Fees	1,800	1,734	66
Special Projects	700	471	229
Refunds	1,500	899	601
Registrations, Membership, and Training	2,500	2,371	129
Telephone and Pager	6,000	4,158	1,842
Utilities	18,000	16,577	1,423

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Health and Sanitation (Continued)</u>			
Dog Control: (Continued)			
Water and Sewer	\$ 1,200	\$ 910	\$ 290
Vehicle Maintenance and Operation	2,000	1,736	264
Data Processing Equipment	2,500	744	1,756
Building Renovation and Construction	85,000	83,784	1,216
Solid Waste Collection:			
Solid Waste Management	19,000	18,960	40
Health Department:			
Lease Payments	94,500	94,463	37
Soil and Water:			
Soil and Water Conservation	30,000	30,000	
<u>Social Services</u>			
Public Advocate Program:			
Linden Grove Cemetery	15,000	15,000	
Human Services Department:			
Pauper Burials	10,000	7,603	2,397
Indigent Services	5,000	3,847	1,153
General Welfare	160,000	159,996	4
<u>Recreation and Culture</u>			
Cultural Programs:			
Behringer Museum Capital	15,000	15,000	
43rd Street Park Grant	75,000		75,000
Carneige Art Center Building	15,000	15,000	
Dry Creek Park Study	5,000	4,000	1,000
<u>Debt Service</u>			
Borrowed Money:			
Interest-Tax Anticipation Note	125,000	106,903	18,097

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Capital Projects</u>			
Courts Building:			
Consultants	\$ 1,000	\$ 960	\$ 40
Contracted Construction	20,000,000	3,659,400	16,340,600
Parking Garage:			
Architects Services	102,000	99,408	2,592
Fiscal Agent Charges	125,000	28,984	96,016
Garage Supplies	65,000		65,000
Other Equipment	108,000		108,000
Garage Construction	11,000,000	9,585,782	1,414,218
Reserve For Transfer	1,100,000		1,100,000
<u>Administration</u>			
Miscellaneous and Reserve:			
Salaries-			
Drug Strike Force	30,000	26,363	3,637
Cable Television Personnel	125,000	105,584	19,416
Overtime	2,000	177	1,823
Longevity Pay	8,000	7,260	740
Retro/Unused Sick Pay	15,000	10,539	4,461
Advertising Legal Notices	11,000	9,111	1,889
Audit Services	25,000	11,930	13,070
County Map Project	45,700	42,764	2,936
Repair Office Equipment	5,000	3,991	1,009
Medical Services	20,000	15,380	4,620
Drug Strike Force	30,000	30,000	
Drug Testing	15,000	12,324	2,676
Gasoline	2,000	1,530	470
Publications and Subscriptions	7,000	6,145	855
Chamber of Commerce Dues	1,575	1,575	
Contributions	225	225	
Insurance	350,000	326,320	23,680
Legal Expense	905,000	901,182	3,818
Ordinance Codification	1,000		1,000

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Miscellaneous and Reserve: (Continued)			
Memberships-			
Northern Kentucky ADD	\$ 3,625	\$ 3,618	\$ 7
KACO	3,800	3,700	100
NACO	2,600	2,434	166
Postage	28,000	27,714	286
Refunds	55,000	45,985	9,015
Tuition Reimbursement	7,000	4,736	2,264
Registrations, Memberships, and Training	15,000	11,488	3,512
Travel	21,000	20,426	574
Safety Program	1,000		1,000
Northern KY Amateur Radio Club	500		500
Office Equipment	30,000	25,390	4,610
Storm Water Control Study	25,000	25,000	
Fire Department Service Fees	4,800	4,631	169
Miscellaneous	32,000	30,827	1,173
Contingent Appropriations:			
Reserve for Budget Transfers	921,934		921,934
Fringe Benefits:			
County Contributions-			
Social Security	232,000	228,265	3,735
Retirement	404,000	400,738	3,262
Vision Care	23,200	23,091	109
Life Insurance	18,000	15,926	2,074
Health and Dental Insurance	475,000	426,693	48,307
Disability Insurance	40,000	34,869	5,131
Worker's Compensation	100,000	100,000	
Unemployment Insurance	9,000	8,095	905
Total Operating Budget (Carried Forward)	\$ 42,779,665	\$ 21,843,566	\$ 20,936,099

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
Total Operating Budget (Brought Forward)	\$ 42,779,665	\$ 21,843,566	\$ 20,936,099
Other Financing Uses:			
(a) Tax Anticipation Note- Principal	5,000,000	5,000,000	
(b) Transfer to Public Properties Corporation Fund	220,335	220,335	
Total General Fund	<u>\$ 48,000,000</u>	<u>\$ 27,063,901</u>	<u>\$ 20,936,099</u>

ROAD AND BRIDGE FUND

Recreation and Culture

Parks:

Employee Salaries	\$ 300,000	\$ 246,504	\$ 53,496
Overtime	27,000	23,563	3,437
Parks Supplies	82,000	81,244	756
Utilities	20,000	19,680	320
Building Maintenance and Repair	5,500	4,042	1,458
Park Construction Project	217,600	200,212	17,388

General Government:

Personnel Services:

Salaries-			
Director of Public Works	55,600	55,363	237
Maintenance Personnel	216,500	210,047	6,453
Secretary	96,500	63,469	33,031
Public Works Overtime	10,300	10,034	266
Professional Engineer Services	25,000	24,440	560

Roads

Road Maintenance:

Salaries-			
Road Worker	700,000	697,382	2,618
Overtime	70,000	57,161	12,839
Longevity Pay	16,500	15,757	743

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Roads (Continued)</u>			
Road Maintenance: (Continued)			
Retro/Unused Sick Pay	\$ 25,000	\$	\$ 25,000
Major Road Projects	862,892	237,381	625,511
Building and Grounds	7,000	4,069	2,931
Equipment Repairs	110,000	90,359	19,641
Security Services	2,000	788	1,212
Solid Waste Collection	10,500	10,220	280
Asphalt	400,000	394,819	5,181
Crushed Stone and Gravel	59,000	56,692	2,308
Diesel Fuel	36,500	36,230	270
Garage Supplies	30,000	28,354	1,646
Gasoline	100,000	83,472	16,528
Lubricants	15,000	11,139	3,861
Repair Parts	202,800	195,558	7,242
Office Supplies	6,200	4,717	1,483
Road Materials	75,610	71,439	4,171
Sign Materials and Striping	40,900	22,839	18,061
Salt	30,000	29,922	78
Sand	11,000	10,309	691
Tools	15,500	14,915	585
Tires	55,000	44,999	10,001
Uniforms	20,000	18,323	1,677
Registrations, Memberships, and Training	8,000	5,305	2,695
Insurance Paid Repairs	5,000	3,639	1,361
Telephone and Pager	15,000	14,123	877
Utilities	30,000	21,748	8,252
Water and Sewer	2,500	1,028	1,472
Communications	4,000	3,903	97
Road Equipment	255,000	244,477	10,523
Machinery and Equipment	12,000	5,081	6,919
Other Materials and Supplies	1,000	857	143

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	\$ 598	\$	\$ 598
Fringe Benefits:			
County Contributions-			
Retirement	120,000	116,407	3,593
Social Security	110,000	101,272	8,728
Vision Care	10,000	6,955	3,045
Life Insurance	3,500	2,925	575
Health and Dental Insurance	250,000	212,784	37,216
Disability Insurance	10,000	8,441	1,559
Worker's Compensation	100,000	100,000	
Unemployment Insurance	6,000	3,408	2,592
Total Road and Bridge Fund	\$ 4,900,000	\$ 3,927,795	\$ 972,205

JAIL FUND

Protection to Persons and Property

Office of Jailer:

 Personnel Services-

 Salaries-

Jailer	\$ 48,661	\$ 48,411	\$ 250
Jail Personnel	1,350,680	1,277,925	72,755
Holiday Pay	61,000	50,734	10,266
Longevity Pay	17,000	12,642	4,358
Overtime Pay	346,000	323,634	22,366

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property</u> (Continued)			
Office of Jailer: (Continued)			
Operations:			
Legal Fees	\$ 29,000	\$ 22,232	\$ 6,768
Data Processing	18,000	16,000	2,000
Equipment Repair	29,000	28,539	461
Custodial Supplies	24,000	22,138	1,862
Food Preparation and Serving	8,000	5,463	2,537
Food	195,000	187,184	7,816
Gasoline	3,000	2,549	451
Jail Linens	6,500	5,845	655
Office Supplies	21,000	18,729	2,271
Prisoner Clothing	6,000	4,789	1,211
Prisoner Hygiene	10,000	8,104	1,896
Medical Claims	128,000	124,370	3,630
Medical Contract	43,200	43,200	
Solid Waste Collection	4,500	4,368	132
Staff Uniforms	9,000	7,299	1,701
Law Enforcement Equipment	30,500	30,047	453
Staff Travel	3,000	2,883	117
Telephone and Pagers	16,000	15,622	378
Utilities	121,000	110,662	10,338
Water and Sewer	23,000	20,870	2,130
Vehicle Maintenance	9,000	6,028	2,972
Housing Prisoners - Other Counties	204,000	197,908	6,092
Juvenile Detention:			
Juvenile Personnel Salaries	203,000	132,683	70,317
Juvenile Deputies Overtime	29,000	27,262	1,738
Juvenile Longevity	1,300	1,191	109
Juvenile Holiday Pay	9,000	4,176	4,824
Juvenile Department Supplies	29,000	21,381	7,619
<u>Debt Service</u>			
Jail Capital Lease Obligations:			
Interest	229,430	225,791	3,639

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Administration</u>			
General Services:			
Liability Insurance	\$ 45,000	\$ 45,000	\$
Registrations, Memberships, and Training	550	500	50
Staff Training	4,000	3,024	976
Contingent Appropriations:			
Reserve for Budget Transfers	59		59
Fringe Benefits:			
County Contributions-			
Retirement	167,000	159,356	7,644
Social Security	147,000	136,535	10,465
Vision Care	10,500	10,083	417
Life Insurance	7,000	5,298	1,702
Health Insurance and Dental Insurance	400,000	329,376	70,624
Disability Insurance	10,800	10,338	462
Worker's Compensation	125,000	125,000	
Unemployment Insurance	5,000	4,666	334
Total Operating Budget	\$ 4,186,680	\$ 3,839,835	\$ 346,845
Other Financing Uses:			
(c) Jail Capital Lease Obligation-			
Principal on Bonds	113,320	113,320	
Total Jail Fund	\$ 4,300,000	\$ 3,953,155	\$ 346,845
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>Roads</u>			
Road Maintenance:			
Road Materials	\$ 20,500	\$ 20,500	\$ 0

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>COMMUNITY DEVELOPMENT BLOCK</u>			
<u>GRANT FUND</u>			
<u>Administration</u>			
Economic Development:			
Administration	\$ 10,000	\$ 389	\$ 9,611
County Match/Grant	100,000		100,000
Water Line Construction	886,755		886,755
FEMA Grant Disbursement	53,706		53,706
Loans	200,000	25,000	175,000
Contingent Appropriations:			
Reserve for Transfers	165,000		165,000
Total Community Development Block Grant Fund	<u>\$ 1,415,461</u>	<u>\$ 25,389</u>	<u>\$ 1,390,072</u>

OCCUPATIONAL LICENSE TAX
FUND

General Health and Sanitation

Mental Health/Mental Retardation:			
BAWAC Adult Work Activity	\$ 117,000	\$ 107,250	\$ 9,750
Cancer Family Care-Counseling	5,250	4,812	438
Catholic Social Services	72,000	72,000	
Citizens Advocacy	7,000	5,247	1,753
Family Alliance/Self Help	1,000	700	300
Family Nurturing Center	33,000	27,500	5,500
Northern Kentucky Child Home- Outpatient Services	36,000	32,750	3,250
Exodus Mental Health	7,930	7,271	659
New Perceptions-			
Center Enrichment	20,000	17,675	2,325
Comprehensive Evaluation	15,930	8,184	7,746
Infant Stimulation	14,700	14,150	550
Work Activities	25,000	20,465	4,535
Supported Employment	30,000	28,080	1,920
Capital Program	14,034		14,034

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>OCCUPATIONAL LICENSE TAX</u>			
<u>FUND (Continued)</u>			
<u>General Health and Sanitation: (Continued)</u>			
Mental Health/Mental Retardation: (Continued)			
Northern Kentucky Mental Health/ Mental Retardation Board-Outpatient Evaluation	\$ 190,000	\$ 158,333	\$ 31,667
Redwood School-			
Therapeutic Services	15,990	15,989	1
Work Services	40,000	40,000	
Children Habilitation	60,000	53,534	6,466
Phone System	24,000	24,000	
Short/Long Term Care-			
Respite	15,000	13,700	1,300
Supported Living	90,000	82,500	7,500
Supported Living - Capital	5,284		5,284
Transitions-			
Jail Group Treatment	3,600	3,300	300
Residential Treatment	58,000	58,000	
Women's Crisis Center-			
Preventative Education	7,300	7,300	
Counseling	8,000	8,000	
Welcome House Emergency Shelter	4,000	4,000	
Welcome House Payee Program	20,833	19,168	1,665
Welcome House Phone System	21,000	21,000	
St. Luke East-Pediatric Care	6,000	2,638	3,362
Mental Health Association Advocates	8,000	7,337	663
Holly Hill Children's Home	5,000		5,000
Northern Kentucky Association for Retarded-			
Group Home	15,000	13,750	1,250
Easter Seal-			
Speech Therapy	2,000	592	1,408
Adult Day Care	2,000	2,000	

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>OCCUPATIONAL LICENSE TAX</u>			
<u>FUND (Continued)</u>			
<u>General Health and Sanitation: (Continued)</u>			
Mental Health/Mental Retardation: (Continued)			
Accounting Services	\$ 8,854	\$	\$ 8,854
Mental Health Services-			
Adult Inmates	20,000	20,002	(2)
Juvenile Inmates	27,800	27,800	
Kenton County Attorney-Psychiatric Evaluations	30,000	28,775	1,225
NKY ADD - Needs Assessment - Special Projects	11,000	4,553	6,447
	10,000		10,000
Prior Year Mental Health/Mental Retardation Claims	110,000	64,798	45,202
Mental Health/Mental Retardation Reserves	532,895		532,895
<u>Social Services</u>			
Senior Citizens Program:			
Easter Seals-Adult Day Care	34,000	18,768	15,232
Human Services-Emergency Assistance	35,000	22,770	12,230
Hearing Aid Bank-Emergency Assistance	675		675
Senior Citizens-			
Respite	7,000	3,616	3,384
Outreach	2,000	1,836	164
Home Delivered Meals	191,000	166,811	24,189
Homemaker/Chore	53,000	48,135	4,865
Lifeline in Northern Kentucky	1,500	1,424	76
Transportation	41,000	37,577	3,423
Ombudsman	8,000	8,000	
Personal Care	21,000	18,514	2,486
Home Repair	3,000	1,635	1,365

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>OCCUPATIONAL LICENSE TAX</u>			
<u>FUND (Continued)</u>			
<u>Social Services (Continued)</u>			
Senior Citizens Program: (Continued)			
Olsten-Personal Care	\$ 30,000	\$ 24,418	\$ 5,582
United Home Care-			
Homemaker/Home Management	13,000	11,890	1,110
Personal Care	15,000	13,707	1,293
Respite	2,500	2,500	
Northern Kentucky ADD-Needs			
Assessment	5,500	2,317	3,183
Senior Citizens of Northern Kentucky-			
Building Repair	30,500	29,241	1,259
Accounting Services	4,398		4,398
Special Projects	5,000		5,000
Prior Year Senior Claims	55,000	44,173	10,827
Senior Reserves	134,093		134,093
Nursing and Health Care:			
Accounting Services	8,854		8,854
Special Projects	25,000	3,800	21,200
Nursing and Health Care Reserves	4,446,417		4,446,417
Transit Authority of Northern Kentucky			
Activities:			
Accounting Services	35,299		35,299
Allocations	4,480,518	4,480,518	
Transporting School Children	371,000	370,180	820
Special Projects	10,000		10,000
Bus Replacement	175,356		175,356
Reserves	1,895,713		1,895,713
Transportation:			
Accounting Services	17,592		17,592
Reserves	2,915,743		2,915,743

KENTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>OCCUPATIONAL LICENSE TAX</u>			
<u>FUND (Continued)</u>			
<u>Administration</u>			
County Occupational License Tax:			
Refunds	\$ 75,000	\$ 65,321	\$ 9,679
Total Operating Budget	\$ 16,899,058	\$ 6,404,304	\$ 10,494,754
Other Financing Uses:			
(d) Transfers to Public Properties			
Corporation Funds-			
Health Care Facility Bond Principal	725,000	725,000	
Health Care Facility Bond Interest	191,650	103,256	88,394
Parking Facility Bond Principal	530,000	530,000	
Parking Facility Bond Interest	904,288	904,288	
(e) Transfer to General Fund-			
Occupational License Tax Collection	500,004	500,004	
Total Occupational License Tax Fund	\$ 19,750,000	\$ 9,166,852	\$ 10,583,148
Total Operating Budget - All Funds	\$ 70,201,364	\$ 36,031,389	\$ 34,139,975
Other Financing Uses:			
(a) Tax Anticipation Note-			
Principal	5,000,000	5,000,000	
(b) Transfer to Public Properties			
Corporation Fund	220,335	220,335	
(c) Jail Capital Lease Obligation-			
Principal on Bonds	113,320	113,320	
(d) Transfers to Public Properties			
Corporation Fund-			
Health Care Facility Bond Principal	725,000	725,000	
Health Care Facility Bond Interest	191,650	103,256	88,394
Parking Facility Bond Principal	530,000	530,000	
Parking Facility Bond Interest	904,288	904,288	
(e) Transfer to General Fund-			
Occupational License Tax Collection	500,004	500,004	
TOTAL BUDGET - ALL FUNDS	\$ 78,385,961	\$ 44,127,592	\$ 34,228,369

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SCHEDULE OF PUBLIC PROPERTIES
CORPORATION FUND EXPENDITURES

KENTON COUNTY
SCHEDULE OF PUBLIC PROPERTIES
CORPORATION FUND EXPENDITURES

Fiscal Year Ended June 30, 1998

1996 - Parking Facilities Project:

Project Fund -

Construction Expense

\$ 11,209,791

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Richard L. Murgatroyd, County Judge/Executive
Honorable Rodney "Biz" Cain, Former County Judge/Executive
Members of the Kenton County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Kenton County Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated May 20, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Kenton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kenton County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Richard L. Murgatroyd, County Judge/Executive
Honorable Rodney "Biz" Cain, Former County Judge/Executive
Members of the Kenton County Fiscal Court
Report on Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
May 20, 1999

COMMENTS AND RECOMMENDATIONS

KENTON COUNTY
COMMENTS AND RECOMMENDATIONS

Fiscal Year Ended June 30, 1998

NONCOMPLIANCES

1) The County Should Have A Written Agreement To Protect Deposits

The county maintained deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). The county had a balance with one bank of \$15,353,167; FDIC insurance of \$200,000; and securities pledged of \$16,818,649 as of June 30, 1998. The county also had a balance with another bank of \$1,008,233; FDIC insurance of \$100,000; and securities pledged of \$950,706 as of June 30, 1998. Even though the county obtained pledged securities of \$17,769,355, the pledges were not evidenced by written agreements. We recommend the county enter into written agreements with the depository institutions. These agreements, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. According to federal law, 12 U.S.C.A. § 1823(e), this agreement should be (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Management's Response:

The above required agreement was in place as of July 98.

2) The County Should Maintain A Detailed Property And Equipment Record For The Jail

The Uniform System of Accounts for Kentucky Counties requires that a detailed property and equipment list be maintained. This involves a list of all county properties (office furnishings, office equipment, vehicles, etc.), as well as tagging all county properties. We recommend that the county include jail assets also.

Management's Response:

The jailer is preparing an inventory.

PRIOR YEAR FINDING

We recommended the fiscal court pursue recovery of a \$850,000 litigation settlement involving improper bidding procedures. The fiscal court recovered \$425,000 from a corporation and \$25,000 from former County Judge/Executive Clyde Middleton.

We also recommended the county officials should make appropriate disclosures to auditors. The appropriate officials have resolved this finding.

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**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS**

KENTON COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1998

Appendix A


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5/21/09

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS
KENTON COUNTY FISCAL COURT

The Kenton County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Rodney "Biz" Cain
County Judge/Executive



Ivan Frye
County Treasurer

CPA AUDIT REPORT ON KENTON COUNTY GOLF COURSE

JUNE 30, 1998

Appendix B

